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State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

July 9, 2012

Dean Formanek
Western Gypsite, LLC
2555 East Camelback Road, Suite 800
Phoenix, Arizona 85016

Subject: Reclamation Surety Required, Western Gypsite, LLC., Gypsite Pilot Mine, S/045/0084, Tooele County, Utah

Dear Mr. Formanek:

The referenced Notice of Intention to Commence Small Mining Operations (NOI), received by the Division of Oil, Gas and Mining on May 8, 2012, is complete **with the exception of the reclamation bonding requirement**. The required reclamation surety is \$36,700.00 for a three-year escalation until 2015. This was determined based on information in the following table.

Small Mine Operation Bond Calculation Worksheet S/045/0084 3-year escalation (2015)			
Item	Qty	Unit Cost	Total Cost
1st Acre Disturbance	1	\$7,900.00	\$7,900.00
Add'l Acres Disturbance	6	\$4,800.00	\$28,800.00
Add'l equipment mob (over 5 acre)	0	\$3,000.00	\$0.00
TOTAL			\$36,700.00

On June 21, 2012, the Division received a certificate of deposit in the amount of \$30,000.00; an additional \$6,700 is still needed. Please submit the additional reclamation surety within the next 30 days. Another option would be to modify the NOI and reduce the acreage to be disturbed to five acres or less. No mining related disturbance may be created until the surety is received and approved and you have received written acceptance from this office as well as other applicable agencies.

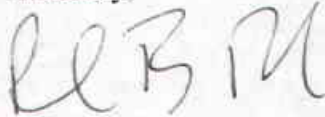
Please contact Penny Berry at 801-538-5291 or by e mail at bondcoordinator@utah.gov for assistance in completing this requirement.



Dean Formanek
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Questions about this letter can be directed to Leslie Heppler at 801-538-5257 or to me at 801-538-5261. In reply please refer to file number S/045/0084.

Sincerely,

A handwritten signature in dark ink, appearing to read 'PBBM', is written over the typed name.

Paul B. Baker
Minerals Program Manager

PBB: lah: eb
cc: SITLA - Jblake@utah.gov
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